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I

(Information)

COUNCIL

CONCLUSIONS OF THE ECOFIN COUNCIL MEETING

on 1 December 1997

concerning taxation policy

(98/C 2/01)

The Council held a wide-ranging debate in the light of the Commission communication entitled 'A package to tackle harmful tax competition in the European Union', which takes stock of a discussion initiated by the Commission at the informal meeting of Ministers for Economic Affairs and Finance in Verona in April 1996 and given more substantial shape at the informal meeting in Mondorf-les-Bains in September 1997.

That discussion concerned the need for coordinated action at European level to tackle harmful tax competition in order to help achieve certain objectives such as reducing the continuing distortions in the single market, preventing excessive losses of tax revenue or getting tax structures to develop in a more employment-friendly way.

In the light of that debate and in a spirit of comprehensiveness of approach, three areas were particularly highlighted: business taxation, taxation of savings income and the issue of withholding taxes on cross-border interest and royalty payments between companies.

Following that debate, the Council and the Representatives of the Governments of the Member States, meeting within the Council, agreed to the Resolution on a code of conduct for business taxation set out in Annex 1;

The Council also:

- approved the text on taxation of savings set out in Annex 2,
- considered that the Commission should submit a proposal for a Directive on interest and royalty payments between companies,

- took note of the Commission's intention to submit rapidly two proposals for Directives on the subjects referred to in the first and second indents above,

- called on the Commission to submit to it each year, together with the report provided for in paragraph N of the code of conduct for business taxation, a progress report on work concerning taxation of savings and interest and royalty payments between companies,

- took note of the Commission's undertaking on fiscal State aid,

- called on the Commission to take forward its work on taxation, continuing to draw on the assistance of the Taxation Policy Group,

- took note of the following statements for the Council minutes:

1. re Annex 1 (code of conduct)

Certain Member States and the Commission consider that special tax arrangements for employees could come within the range of problems covered by the code. They accordingly consider that this question needs to be discussed within the Taxation Policy Group with a view to a possible extension of the code under the review procedure laid down in paragraph N.

The Council and the Representatives of the Governments of the Member States, meeting within the Council, as well as the Commission note that standstill and rollback are closely inter-related and stress the need for a balanced application to comparable situations, without this delaying the implementation of standstill and rollback. They also consider that a period of two

years, as a general rule, should be sufficient for rollback. As from 1 January 1998 the actual rollback will have to take place within five years although a longer period may be justified in particular circumstances following an assessment by the Council.

The German delegation, like other delegations, understands point B (3) as including, *inter alia*, the targeted granting of advantages for international mobile activities, where they are not granted for non-mobile activities.

The Commission points out that the authorization granted in 1987 and extended most recently in 1994 for the arrangements for international financial services centres in Dublin expires in 2005 and that, under that authorization, no new institutions may benefit from those arrangements after 2000.

2. re Annex 2 (taxation of savings)

The Member States state that, if they were to change their legislation, they should be guided by the points set out in Annex 2 to these conclusions.

The United Kingdom delegation considers that such a Directive should not apply to Eurobonds and similar instruments.

The French delegation considers that the Directive on the taxation of savings should not lay down a rate of withholding tax of less than 25 %.

The Netherlands delegation notes that it will assess the proposals in the light of the principle of taxation of savings in the country of residence.

The Luxembourg delegation considers that a Directive on taxation of savings should be accompanied by a Directive on business taxation covering general arrangements for business taxation in the Member States.

The Belgian, Italian and Portuguese delegations state that they will not agree to the Directive on interest and royalty payments between companies before the Directive on the taxation of savings is adopted.

3. The Commission notes the Netherlands delegation's request concerning problems relating in particular to taxation of pensions and insurance benefits; it undertakes to consider the matter with the assistance of the Taxation Policy Group with a view to possibly drawing up a proposal for a Directive.
4. The Commission notes the Belgian delegation's request concerning VAT treatment of cross-border motor vehicle leasing and undertakes to look into it with an open mind. It will in particular consider to what extent the proposals already planned to modernize and streamline the present VAT arrangements can provide a suitable solution.

ANNEX 1

RESOLUTION OF THE COUNCIL AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL

of 1 December 1997

on a code of conduct for business taxation

THE COUNCIL OF THE EUROPEAN UNION AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

RECALLING that a comprehensive approach to taxation policy was launched, at the Commission's instigation, at the informal meeting of the Ministers for Economic Affairs and Finance held in Verona in April 1996 and confirmed at the meeting in Mondorf-les-Bains in September 1997 in the light of the consideration that coordinated action at European level is needed in order to reduce continuing distortions

in the single market, prevent significant losses of tax revenue and help tax structures develop in a more employment-friendly way,

ACKNOWLEDGING the major contribution made by the Taxation Policy Group to the preparation of this Resolution,

NOTING the Commission communication to the Council and the European Parliament of 5 November 1997,

ACKNOWLEDGING the positive effects of fair competition and the need to consolidate the competitiveness of the European Union and the Member States at international level, whilst noting that tax competition may also lead to tax measures with harmful effects,

ACKNOWLEDGING, therefore, the need for a code of conduct for business taxation designed to curb harmful tax measures,

EMPHASIZING that the code of conduct is a political commitment and does not affect the Member States' rights and obligations or the respective spheres of competence of the Member States and the Community resulting from the Treaty,

HEREBY ADOPT THE FOLLOWING CODE OF CONDUCT:

**Code of conduct for business taxation
tax measures covered**

A. Without prejudice to the respective spheres of competence of the Member States and the Community, this code of conduct, which covers business taxation, concerns those measures which affect, or may affect, in a significant way the location of business activity in the Community.

Business activity in this respect also includes all activities carried out within a group of companies.

The tax measures covered by the code include both laws or regulations and administrative practices.

B. Within the scope specified in paragraph A, tax measures which provide for a significantly lower effective level of taxation, including zero taxation, than those levels which generally apply in the Member State in question are to be regarded as potentially harmful and therefore covered by this code.

Such a level of taxation may operate by virtue of the nominal tax rate, the tax base or any other relevant factor.

When assessing whether such measures are harmful, account should be taken of, *inter alia*:

1. whether advantages are accorded only to non-residents or in respect of transactions carried out with non-residents, or
2. whether advantages are ring-fenced from the domestic market, so they do not affect the national tax base, or
3. whether advantages are granted even without any real economic activity and substantial economic presence within the Member State offering such tax advantages, or
4. whether the rules for profit determination in respect of activities within a multinational group of companies departs from internationally accepted principles, notably the rules agreed upon within the OECD, or
5. whether the tax measures lack transparency, including where legal provisions are relaxed at administrative level in a non-transparent way.

Standstill and Rollback

Standstill

- C. Member States commit themselves not to introduce new tax measures which are harmful within the meaning of this code. Member States will therefore respect the principles underlying the code when determining future policy and will have due regard for the review process referred to in paragraphs E to I in assessing whether any new tax measure is harmful.

Rollback

- D. Member States commit themselves to re-examining their existing laws and established practices, having regard to the principles underlying the code and to the review process outlined in paragraphs E to I. Member States will amend such laws and practices as necessary with a view to eliminating any harmful measures as soon as possible taking into account the Council's discussions following the review process.

Review process

Provision of relevant information

- E. In accordance with the principles of transparency and openness Member States will inform each other of existing and proposed tax measures which may fall within the scope of the code. In particular, Member States are called upon to provide at the request of another Member State information on any tax measure which appears to fall within the scope of the code. Where envisaged tax measures need parliamentary approval, such information need not be given until after their announcement to Parliament.

Assessment of harmful measures

- F. Any Member State may request the opportunity to discuss and comment on a tax measure of another Member State that may fall within the scope of the code. This will permit an assessment to be made of whether the tax measures in question are harmful, in the light of the effects that they may have within the Community. That assessment will take into account all the factors identified in paragraph B.
- G. The Council also emphasizes the need to evaluate carefully in that assessment the effects that the tax measures have on other Member States, *inter alia* in the light of how the activities concerned are effectively taxed throughout the Community.

Insofar as the tax measures are used to support the economic development of particular regions, an assessment will be made of whether the measures are in proportion to, and targeted at, the aims sought. In assessing this, particular attention will be paid to special features and constraints in the case of the outermost regions and small islands, without undermining the integrity and coherence of the Community legal order, including the internal market and common policies.

Procedure

- H. A group will be set up by the Council to assess the tax measures that may fall within the scope of this code and to oversee the provision of information on those measures. The Council invites each Member State and the Commission to appoint a high-level representative and a deputy to this group, which will be chaired by a representative of a Member State. The group, which will meet regularly, will select and review the tax measures for assessment in accordance with the provisions laid down in paragraphs E to G. The group will report regularly on the measures assessed. These reports will be forwarded to the Council for deliberation and, if the Council so decides, published.

- I. The Council invites the Commission to assist the group in carrying out the necessary preparatory work for its meetings and to facilitate the provision of information and the review process. To this end, the Council requests Member States to provide the Commission with the information referred to in paragraph E so that the Commission may coordinate the exchange of such information between the Member States.

State aid

- J. The Council notes that some of the tax measures covered by this code may fall within the scope of the provisions on State aid in Articles 92 to 94 of the Treaty. Without prejudice to Community law and the objectives of the Treaty, the Council notes that the Commission undertakes to publish guidelines on the application of the State aid rules to measures relating to direct business taxation by mid- 1998, after submitting the draft guidelines to experts from the Member States at a multilateral meeting, and commits itself to the strict application of the aid rules concerned, taking into account, inter alia, the negative effects of aid that are brought to light in the application of this code. The Council also notes that the Commission intends to examine or re-examine existing tax arrangements and proposed new legislation by Member States case by case, thus ensuring that the rules and objectives of the Treaty are applied consistently and equally to all.

Action to combat tax avoidance and evasion

- K. The Council calls on the Member States to cooperate fully in the fight against tax avoidance and evasion, notably in the exchange of information between Member States, in accordance with their respective national laws.
- L. The Council notes that anti-abuse provisions or countermeasures contained in tax laws and in double taxation conventions play a fundamental role in counteracting tax avoidance and evasion.

Geographical extension

- M. The Council considers it advisable that principles aimed at abolishing harmful tax measures should be adopted on as broad a geographical basis as possible. To this end, Member States commit themselves to promoting their adoption in third countries; they also commit themselves to promoting their adoption in territories to which the Treaty does not apply.

In particular, Member States with dependent or associated territories or which have special responsibilities or taxation prerogatives in respect of other territories commit themselves, within the framework of their constitutional arrangements, to ensuring that these principles are applied in those territories. In this connection, those Member States will take stock of the situation in the form of reports to the group referred to in paragraph H, which will assess them under the review procedure described above.

Monitoring and revision

- N. In order to ensure the even and effective implementation of the code, the Council invites the Commission to report to it annually on the implementation thereof and on the application of fiscal State aid. The Council and the Member States will review the provisions of the code two years after its adoption.
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ANNEX 2

TAXATION OF SAVINGS

To ensure a minimum of effective taxation of savings income within the Community and to prevent undesirable distortion of competition, the Council calls upon the Commission to present a proposal for a Directive on the taxation of savings. The Council considers that the following points might form a basis for that proposal:

- I. The scope of such a Directive could be limited to interest paid in one Member State to individuals who are resident in another Member State.
- II. As a first step towards effective taxation of savings income throughout the Community, such a Directive could be based on the 'coexistence model', under which each Member State would either operate a withholding tax or provide information on savings income to other Member States. A Member State might combine the two. The Directive could contain a review clause, for the purpose of determining to what extent further progress would be conceivable with a view to better effective taxation of savings income.
- III. Any withholding tax on interest payments made to residents of other Member States could, in principle, be levied by the paying agent. Refinement of this method might be needed in order to counter tax avoidance and evasion more effectively and to avoid double taxation. The arrangements for checking the residence for tax purposes of beneficiaries should not be too cumbersome.
- IV. The provisions of such a Directive should take into account the need to preserve the competitiveness of European financial markets on a global scale.

Furthermore, it would be advisable for the points set out above to be adopted as widely as possible. To this end, Member States should undertake to promote the establishment of equivalent measures in third countries, at the same time as discussions on the Directive are taking place; they should also commit themselves to promoting their adoption in territories to which the Treaty does not apply. In particular, Member States with dependent or associated territories or which have special responsibilities or taxation prerogatives in respect of other territories should commit themselves, within the framework of their constitutional arrangements, to ensuring that equivalent measures are applied in those territories.

The Council should review the issue before adopting such a Directive.

COMMISSION

Ecu (*)

5 January 1998

(98/C 2/02)

Currency amount for one unit:

Belgian and Luxembourg franc	40,7850	Finnish markka	5,98253
Danish krone	7,52996	Swedish krona	8,71807
German mark	1,97742	Pound sterling	0,664013
Greek drachma	312,507	United States dollar	1,09051
Spanish peseta	167,469	Canadian dollar	1,55627
French franc	6,61819	Japanese yen	145,278
Irish pound	0,772643	Swiss franc	1,60632
Italian lira	1943,11	Norwegian krone	8,07086
Dutch guilder	2,22867	Icelandic krona	79,3563
Austrian schilling	13,9116	Australian dollar	1,68888
Portuguese escudo	202,289	New Zealand dollar	1,91418
		South African rand	5,35876

The Commission has installed a telex with an automatic answering device which gives the conversion rates in a number of currencies. This service is available every day from 3.30 p.m. until 1 p.m. the following day. Users of the service should do as follows:

- call telex number Brussels 23789,
- give their own telex code,
- type the code 'cccc' which puts the automatic system into operation resulting in the transmission of the conversion rates of the ecu,
- the transmission should not be interrupted until the end of the message, which is marked by the code 'ffff'.

Note: The Commission also has an automatic fax answering service (No 296 10 97/296 60 11) providing daily data concerning calculation of the conversion rates applicable for the purposes of the common agricultural policy.

(*) Council Regulation (EEC) No 3180/78 of 18 December 1978 (OJ L 379, 30. 12. 1978, p. 1), as last amended by Regulation (EEC) No 1971/89 (OJ L 189, 4. 7. 1989, p. 1).

Council Decision 80/1184/EEC of 18 December 1980 (Convention of Lomé) (OJ L 349, 23. 12. 1980, p. 34).

Commission Decision No 3334/80/ECSC of 19 December 1980 (OJ L 349, 23. 12. 1980, p. 27).

Financial Regulation of 16 December 1980 concerning the general budget of the European Communities (OJ L 345, 20. 12. 1980, p. 23).

Council Regulation (EEC) No 3308/80 of 16 December 1980 (OJ L 345, 20. 12. 1980, p. 1).

Decision of the Council of Governors of the European Investment Bank of 13 May 1981 (OJ L 311, 30. 10. 1981, p. 1).

III

(Notices)

COMMISSION

ROBERT SCHUMAN PROJECT — PILOT PHASE

IMPROVING TRAINING IN AND INFORMATION ON COMMUNITY LAW FOR THE LEGAL PROFESSION

CALL FOR EXPRESSION OF INTEREST

(98/C 2/03)

1. Objectives

The internal market took shape following a major drive to produce new legislation. This unprecedented campaign has now given way to a new priority for the Community, namely to ensure the effective and uniform implementation, in the Member States, of the common rules necessary for the smooth functioning of the internal market.

Citizens, consumers and enterprises will be unable to enforce all of their rights under the Community legal system unless those members of the legal professions most directly involved in implementing Community law, i.e. judges, public prosecutors and lawyers, are sufficiently informed and trained to do so.

2. Means of action

With a view to improving training in and information on Community law for these legal professions, the Commission has proposed⁽¹⁾ the setting-up of a programme entitled the ROBERT SCHUMAN PROJECT, while not encroaching on the Member States' responsibility for defining course content and organizing professional training for judges, public prosecutors and lawyers.

The ROBERT SCHUMAN PROJECT is designed to encourage and support, by means of temporary financial support, initiatives launched in the Member States to improve training in and information on Community law for judges, public prosecutors and lawyers.

The project sets out to encourage:

- practical training initiatives in Community law (initial or continuing training) for judges, public prosecutors and lawyers or persons preparing to take up those professions,
- information initiatives (designed to improve the content of, or access to, information) in Community law for judges, public prosecutors and lawyers or persons preparing to take up those professions,
- accompanying initiatives designed to facilitate implementation of the above two forms of support or to enhance their impact.

This call for expression of interest marks the launch of the ROBERT SCHUMAN PROJECT in its pilot phase for 1998.

3. Eligibility

The following institutions are eligible for financial support under the ROBERT SCHUMAN PROJECT:

- the courts,
- bar associations and equivalent professional bodies;
- the Ministries of Justice, Judicial Service Commission or equivalent bodies,
- approved professional schools or educational institutes responsible for the initial or continuing training of judges, public prosecutors or lawyers,
- universities.

⁽¹⁾ Proposal for a European Parliament and Council Decision, COM(96) 580, OJ C 378, 13. 12. 1996, p. 17.

Eligible institutions may apply for financial support under the ROBERT SCHUMAN PROJECT by submitting a training, information or accompanying project to the relevant Commission departments.

4. Selection criteria

Projects are selected, and financial support is awarded, on the basis for the following criteria:

1. *Practical use*

The measures envisaged must enable the target groups to acquire knowledge adapted to, and immediately useful in, the day-to-day practice of their profession.

2. *Accessibility*

The measures envisaged must be useful for the greatest possible number of judges, public prosecutors and lawyers, and in particular those who have not yet been exposed to Community law.

3. *Adjustment to constraints of professional practice*

The way in which the measures envisaged are implemented must reflect the needs of professional practice (particularly in terms of planning and geographical proximity).

4. *Cost-effectiveness*

Costs entailed by the measures must be consistent with their objectives.

The following optional assessment criteria may also be taken into account:

- interprofessional dimension of measures (targeted on or involving judges, public prosecutors and lawyers),
- transfrontier dimension of measures (targeted on or involving nationals of more than one European Union Member State).

5. Continuity

Financial support under the ROBERT SCHUMAN PROJECT is awarded for one or two years.

So as to ensure continuity, recipients of ROBERT SCHUMAN PROJECT grants undertake to continue their work without support from the Commission as from the date on which grants cease, for a period equivalent to that for which they were given.

This continuity principle applies systematically to all initiatives falling within the 'training' sub-part of the ROBERT SCHUMAN PROJECT. The Commission reserves the right to determine whether it is applied to other initiatives.

6. Applications

Eligible institutions wishing to receive Community funding in order to implement an initiative meeting the above selection criteria may send an expression of interest to the following address by post or fax:

European Commission,
DG XV — Internal Market and Financial Services,
ROBERT SCHUMAN PROJECT,
C 107, 3/58
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.
Fax: (32-2) 295 09 92.

Applicants will be sent an applicant's vade-mecum and application form by return of post.

Applications must concern projects scheduled to commence between 1 September 1998 and 31 August 1999.

The final deadline for lodging applications for funding under the ROBERT SCHUMAN PROJECT has been set at 31 March 1998.

GROTIUS

Annual programme and call for applications for 1998

(98/C 2/04)

On 28 October 1996 the Council adopted the Grotius programme, a programme of incentives and exchanges for legal practitioners (Joint Action 96/636/JHA, OJ L 287, 8. 11. 1996, p. 3).

The programme covers the period from 1996 to 2000 and the financial reference amount for implementing it comes to ECU 8 800 000. The 1998 budget comes to ECU 2 000 000.

Objectives of programme

1. The general objectives of the Grotius programme are outlined in the Joint Action establishing the programme, notably in Article 1.
2. Projects to be financed from the 1998 budget may relate to all types of measures listed in 3 below and detailed in Articles 3, 4, 5, 6 and 7 of the Joint Action establishing the Grotius programme, may be directed at all the professional categories referred to in Article 1 (2) of the Joint Action and may concern any topic relating to legal cooperation, whether civil, administrative or criminal (See paragraph 7).

Excluded projects

Apart from the criteria and guidelines in the text of the Joint Action establishing the programme, applicants should note that operations relating to training in Community law and the proper application thereof do not fall within the remit of the Grotius programme. (On 19 November 1996 the Commission sent the Council a proposal for a decision establishing an action programme to improve awareness of Community law for the legal professions (Robert Schuman Project) and adopted a pilot phase for 1997 of the programme.)

The following Title VI programmes are or will be administrated by the Commission:

- STOP (incentive and exchange programme for persons responsible for combating trade in human beings and sexual exploitation of children — OJ L 322, 12. 12. 1996),
- OISIN (common programme for the exchange and training of, and cooperation between, law enforcement authorities — OJ L 7, 10. 1. 1997),
- Odysseus (programme of training, exchanges and cooperation in the fields of asylum, immigration and external borders — Commission Proposal (97) 364 final of 9. 7. 1997), and

- Falcone (incentive and exchange programme for persons responsible for fighting against organized crime) — Commission Proposal (97) 528 of 20. 10. 1997.

In addition the Commission is implementing the Daphne Initiative, which provides Ecu 3 000 000 to support non-governmental and voluntary organizations in the fight against violence against children, young persons and women. (A call for proposals was published in OJ C 136, 1. 5. 1997).

Combined financing under these different programmes and the Grotius Programme is not permitted. It is imperative to address applications to the most relevant of these programmes. If an application is sent to the wrong programme, there is a risk of disqualification, due to the deadlines applicable in the different programmes.

Eligible Expenditure

3. Expenditure directly chargeable to the implementation of projects is eligible. The grant from the Community may not exceed 80 % of the cost of the project.

It is important to note that:

- no expenditure contracted before the date of the Committee meeting at which a positive decision is taken, may be eligible for reimbursement under the Grotius Programme,
- a project financed under the 1998 budget must start and receive significant materialization before the end of the year 1998,
- a project must be finalized at the latest within a year of the date when the decision of granting was officially communicated, unless an extension has been granted.

Applicants should take note that due to the payment procedures of the Commission, pre-financing of projects is presumed: the pace of installments will not enable applicants to cover expenditure directly out of the Grotius subvention.

Areas eligible for grants

Grants can be awarded in five areas (projects may cover combinations thereof), subject to the criteria and guidelines specified under points 5 and 6:

- training in professional language and comparative law;

- the organization of traineeships and visits abroad;
- the holding of conferences, seminars, meetings, colloquia;
- the coordination of research into subjects with a bearing on legal cooperation;
- the distribution of information about foreign law and legal cooperation.

The budget for the year 1998 will consist of ECU 2 000 000. It will be indicatively allocated to the different thematic areas in the following way:

Areas	ECU
— Training	250 000
— Exchange	400 000
— Research/studies	250 000
— Meetings (seminars, colloquia, conferences)	900 000
— Documentation/Information	100 000
— Evaluation (5 %)	100 000
Total	2 000 000

4. It should be noted that the programme is not intended for students pursuing their studies but is open to young professionals undergoing training.

Project leaders may be national or international institutions, whether public or non-governmental, e.g. establishments which provide legal training and training for lawyers or professionals associated with justice, research centres and professional associations. Initiatives by private individuals are not eligible for the programme.

Criteria for selection

5. The criteria on which projects are selected for financing are as follows:
- the operational purpose, i.e. the extent to which stress is placed on passing on knowledge of immediate use in carrying on the professional activity concerned, without overlooking the need for thorough consideration of the cultural and sociological obstacles to cooperation,
 - the degree of preparation and the standard of organization, as well as clarity and precision as regards the objectives, design and planning of the project,
 - the number of practitioners likely to derive some advantage from the project, either directly or

through contact between those who have taken part and those who have not had the opportunity,

- language training should be considered only where directly linked to professional needs, and not easily available in the absence of the submitted project,
- conferences on general legal topics should be considered only where the topic is of a particular actuality, for instance if new legislation is envisaged in different countries,
- the accessibility of the project, i.e. the approach taken, and the allowance which the organizational arrangements make for participants' existing knowledge and for professional constraints,
- the involvement of different entities and the combined use of their particular expertise on the organization of the project,
- the openness to practitioners from different countries and disciplines and the opportunity for them to benefit from each other's experience,
- the extent to which the projects complement each other, the way in which they contribute to creating a forward momentum rather than merely juxtaposing isolated operations,
- the relevance of the project, as it is especially topical, for example in being linked to the implementation of legal cooperation instruments adopted by the Council,
- the need for the project, as it focuses closely:
 - on an issue that has so far received little discussion; or
 - on cooperation or improvement of mutual knowledge between Member States that do not yet have frequent experience of judicial contacts.

Guidelines

6. In principle, projects should concentrate on situations where practitioners and citizens experience practical difficulties. They should focus first on correct implementation of existing law, and explore available means of ensuring this implementation, before addressing the issue, if necessary, of possible amendments to legislation or conventions. Special attention should be devoted to the reciprocal understanding of different judicial approaches and legal cultures in order to foster mutual confidence in cases requiring judicial cooperation.

The following guidelines, based on the above criteria, should be of assistance to applicants:

- ambitious schemes, schemes of long duration or those for which a large grant is being applied for should be supported by pilot projects or studies that justify and demonstrate their feasibility,
- any plan for setting up a documentation network, data bases etc. should state in detail the sources, the field of investigation, the methodological approach, the frequency of updates etc.,
- research projects should not be limited to study based purely on the legal literature but should be based on practical experience and aim to produce usable conclusions,
- the knock-on effect of a project will be assessed on the basis of the number of participants and in view of their status and capacity to disseminate the results of the project,
- justification will have to be shown as to the benefits likely to be derived from very small projects, organization of traineeships or visits for a small number of participants. Projects likely to benefit only the applicant organization will not be considered,
- meetings between institutions responsible for basic or continuing training should be considered only where they aim at a well defined purpose in relation to a particular project or policy,
- the standard of preparation will be assessed both objectively, as regards project design and planning, and subjectively, as regards the experience and reputation of the applicant organization. Previous records will be paid attention if a series of applications is received from the same organization. Initiatives submitted by organizations or associations having neither well-established structures nor significant human and financial resources will not be disregarded,
- added value conferred by the involvement of several disciplines will be evaluated in terms of quality, not quantity, and will be assessed in terms of how the contributions from the various professional categories involved in a single project complement each other,
- a high degree of interaction between the project organizer(s) and the participants, will be regarded as a positive feature of a project,
- related projects put forward as complementary should be presented together, with individual budgets identified, so that consideration can be given to support them either individually or in group.

Possible topics

7. Against this background, the following topics are suggested as being of particular interest:

Criminal and procedural law:

- implementation of applicable judicial cooperation instruments, including regional and bilateral instruments to the extent that the project contributes to the furthering of cooperation within the European Union,
- particular aspects of mutual assistance,
- special means of cooperation, such as:
 - protection for witnesses and informers (implementation of resolution 95/C 327/04 of 23. 11. 1995 and resolution 97/C 10/01 of 20. 12. 1996),
 - instruments for cross-border investigation,
 - cross-border aspects of the enforcement of sentences,
 - transfer of proceedings in criminal matters,
 - seizure and confiscation,
- judicial cooperation aspects involved in:
 - action against drug trafficking (implementation of the joint action of 17. 12. 1996 and the resolution 97/C 10/02 of 20. 12. 1996 on convictions for serious offences),
 - action to combat racism and xenophobia (implementation of joint action 96/443/JHA of 15. 7. 1996),
 - the production of the financial interests of the Community.

Civil and procedural law:

- service of acts abroad,
- determination of competent judicial authority and enforcement of foreign judgments, particularly the application of the Brussels and Lugano Conventions,
- determination of law applicable to contractual obligations (the Rome Convention) and non-contractual obligations,

- other aspects of judicial cooperation, e.g. simplifying procedures for obtaining evidence from other member States of the European Union, granting legal aid, etc.,
- cooperation between the judicial authorities and the competent administrative services of the Member States in particular fields,
- protection of children's rights, particularly the application of the Strasbourg Conventions of 1980, 1993 and 1995;
- comparison of civil law aspects, relevant for judicial cooperation.

In general:

- assistance with procedures (legal aid, protection for witnesses and informers, assistance for victims);
- protection of human dignity and privacy in audio-visual and electronic data transmissions;
- activities of liaison and contact magistrates;
- administration of the judiciary.

Assessment of projects

Projects will be assessed individually according to the above criteria and guidelines, but also globally so as to balance the programme between the most interactive forms of training, exchange and seminars, with more traditional activities such as meetings or research. Applications will be encouraged from organizations in EU Member States less well represented in the projects as a whole.

Special attention will be given to projects open to professionals less familiar with international contacts, and to projects open to practitioners from candidate countries, in accordance with the Commission's Agenda 2000. It must be emphasized however that the Grotius Programme is not intended to provide assistance to CEEC, for which specific facilities are provided under Phare.

How to apply

8. Applications for grants must be submitted, not later than **31 March 1998** to the Justice and Home Affairs Task Force (for the attention of Mr Wennerström, N-9 6/3), Rue de la Loi/Wetstraat, 200, B-1049, Brussels, using the application form in one of the 11 European Union languages (a translation may be added in a second working language). Forms may be obtained by applying to the address above, by fax (32-2) 296 59 97, or by e-mail at address Erik Wennerstrom@sg.ccc.be. Note that the signed original application form has to be submitted in real time (not by telefax, followed by the original), together with a short memo (two or three pages) outlining the project. Alterations to the form or the use of earlier versions of the form, etc., will disqualify the application. The purpose of the project must be described as briefly and accurately as possible in point 9 of the form.

A detailed estimated budget in national currency must be sent in with the application. The budget must show the expected overall cost of the project. The grant applied for may not exceed 80 % of that final cost. The actual subvention may be for a lower amount than the percentage requested, or alternatively it may be decided to subsidize only part of the action envisaged. (It should be noted that the majority of subventions allocated so far, have covered 50 to 60 % of the project budget). The running costs of an organization are not eligible, even where the organization is pursuing goals similar to those of the Grotius Programme.

Beneficiaries are required to state in all advertising or published material that their projects are in receipt of financial support from the Grotius programme. Within three months of the completion of their project, they must submit to the Justice and Home Affairs Task Force a report on the execution of the project, any obstacles encountered, the assessment given by the participants, the results obtained, the dissemination of such results and the conclusions drawn.

OISIN

Annual programme and invitation for applications for 1998

(98/C 2/05)

On 20 December 1996 the Council of Ministers of the European Union adopted the Oisin programme⁽¹⁾, a framework to develop and enhance cooperation between police, customs and other law enforcement authorities⁽²⁾ of Member States and to provide such authorities with a greater insight into the working methods of their counterparts in other Member States.

The programme covers the period from 1997 to 2000 and the financial reference amount for implementing it for the period 1997 to 1999 is ECU 8 000 000.

The 1998 budget comes to ECU 2 500 000.

1. In general, the Oisin programme intends to stimulate and enhance dynamic webs of relations among law enforcement authorities throughout the European Union by providing a framework for the exchange and training of, and cooperation between law enforcement authorities. This with a view to enhancing practical cooperation between law enforcement authorities through the support of innovative projects with an interest for the European Union.

The expected results are to make law enforcement authorities better acquainted with the working methods of their counterparts throughout the European Union.

To meet these aspirations, the following specific objectives are pursued:

- to raise operational language skills and comprehension of other Member States' legal and operational terminology in order to develop quicker and more efficient communication between law enforcement authorities in the European Union,
- to promote awareness of the legislation and operational procedures in other Member States, by means of training, exchanges and study visits of a limited duration,
- to organize joint operational projects in areas where such projects have an interest for the European Union,
- to organize briefing and debriefing meetings of joint operational projects, as described above and including joint surveillance operations.

2. Projects to be financed from the 1998 budget may relate to all types of measures listed below and detailed in Articles 3, 4, 5 and 6 of the Joint Action establishing the Oisin programme and should be directed to all law enforcement authorities as defined in Article 1 (2) of the above-mentioned Joint Action.

The Commission is managing four other programmes in matters concerning Title VI of the Treaty on European Union:

STOP (incentive and exchange programme for persons responsible for combating trade in human beings and sexual exploitation of children (OJ L 322, 12. 12. 1996),

Grotius (programme of incentives and exchanges for legal practitioners (OJ L 287, 8. 11. 1996),

Odysseus (programme of training, exchanges and cooperation in the fields of asylum, immigration and external borders — Commission proposal COM(97) 364 of 9. 7. 1997),

Falcone (programme of exchanges, training and cooperation for persons responsible in the action against organized crime — Commission proposal COM(97) 528 of 21. 10. 1997) — still pending final decision by the Council.

Combined financing under these different programmes is not permitted. It is imperative to address applications to the most relevant of these programmes. If an application is sent to the wrong programme, there is a risk of disqualification, owing to the deadlines applicable for the different programmes.

In this context, applications projects whose topics are the trade in human beings, including the sexual exploitation of children, and the fight against organized crime should be submitted to the STOP and Falcone programmes respectively.

3. Expenditure directly chargeable to the implementation of such projects is eligible. The grant from the European Community may not exceed 80 % of the total cost of the project. It is important to note that:

- expenditure contracted before the date of the committee meeting at which a positive decision is taken, is not eligible for reimbursement within the Oisin programme,

⁽¹⁾ Joint Action 97/12/JHA, OJ L 7, 10. 1. 1997, p. 5.

⁽²⁾ For the purpose of this programme, 'law enforcement authorities' means all public bodies existing in Member States which are responsible under national law for preventing, detecting and combating criminal offences.

- a project financed within the 1998 budget must start and receive significant materialization before the end of 1998,
- a project must be finalized at the latest within a year of the date of the decision of granting of communication.

Applicants should take note that owing to the payment procedures of the Commission, pre-financing of projects is presumed; the pace of instalments will not enable applicants to cover expenditure directly from the Oisin subvention.

Grants will be awarded in five areas (projects may cover combinations thereof), subject to the criteria and guidelines specified under points 5 and 6:

- provision of training,
 - exchange of personnel and provision of operational expertise,
 - research, operational studies and evaluation,
 - operational projects (including, briefings and debriefing meetings),
 - information exchange.
4. Project leaders may be national or international institutions, whether public or private including, in particular, research institutes as well as institutions responsible for basic training and those responsible for continuing training. Initiatives by private individuals are not eligible for the programme.
5. The criteria based on which the projects are selected for financing are as follows:
- the European Union dimension of the project and the involvement of at least two of its Member States,
 - the consistency of the topics to be covered with the work undertaken in Council action programmes coming under police and customs cooperation,
 - the operational purpose and practical input, i.e. the extent to which stress is placed in passing on the knowledge of immediate use in carrying on the professional activity concerned, without overlooking the need for a thorough consideration on any obstacles to cooperation,
 - language training should be considered only where directly linked to professional needs, and where it is not easily available in the absence of the submitted project,
 - the number of professionals likely to derive some advantage from the project, either directly or through contact between those who have taken part and those who have not had the opportunity to participate,

- the accessibility of the project, i.e. the approach taken, and the allowance which the organizational arrangements make for participants' existing knowledge and for professional constraints,
- the degree of preparation and the standard of organization, as well as clarity and precision as regards the objectives, design and planning of the project,
- the involvement of different entities and the combined use of their particular expertise in the organization of the project,
- the openness to practitioners from different Member States and disciplines and the opportunity for them to benefit from each other's experience,
- the extent to which the projects complement each other, the way in which they contribute to creating a forward momentum rather than merely juxtaposing isolated operations,

6. The following guidelines, based on the above criteria, should be of assistance to applicants:

- ambitious schemes, schemes of long duration or those for which a large grant is being applied for should be supported by pilot projects or studies that justify and demonstrate their feasibility,
- any plan for setting up a documentation network, databases etc. should state in detail the sources, the field of investigation, the methodological approach, the frequency of updates, etc.,
- research projects should not be limited to study based purely on written material but should be based on practical experience and aim to produce usable conclusions,
- the knock-on effect of a project will be assessed on the basis of the number of participants and their status and capacity to disseminate the results of the project,
- justification will have to be shown as to the benefits likely to be derived from very small projects, organization of traineeships or visits for a small number of participants. Projects likely to benefit only the applicant organization will not be considered,
- meetings between institutions responsible for basic or continuing training should be considered only where they aim at a well-defined purpose in relation to a particular project or policy,
- the standard of preparation will be assessed both objectively, as regards project design and planning, and subjectively, as regards the

experience and reputation of the applicant organization. Previous records will be given attention if a series of applications is received from the same organization. Initiatives submitted by organizations or associations having neither well-established structures nor significant human and financial resources will not be disregarded,

- added-value conferred by the involvement of several disciplines will be evaluated in terms of quality, not quantity, and will be assessed in terms of how the contributions from the various professional categories involved in a single project complement each other,
- a high degree of interaction between the project organizer(s) and the participants, will be regarded as a positive feature for the project,
- related projects put forward as complementary should be presented together, with individual budgets identified, so that consideration can be given to support them either individually or in groups.

In principle, projects should concentrate on situations where law-enforcement personnel experience practical difficulties.

7. Against this background, the following topics are suggested as being of particular interest:

- the fight against drug trafficking,
- the fight against terrorism,
- improvement of police and customs cooperation,
- the use of technology as a means to defeat crime,
- urban violence,
- the fight against and prevention of urban crime,
- crime analysis.

Special attention will be given to projects open to professionals less familiar with international contacts, and to projects open to professionals from candidate countries, in accordance with the Commission's Agenda 2000 and with Article 7 (4) of the Council Joint Action establishing this programme, that states that 'the projects may involve those responsible in the applicant countries with a view to making them familiar with the achievement of the European Union in this area and contributing to their preparation for accession, or in other third countries where it serves the aims of the projects'. It must be emphasized, however, that the Oisin programme is not intended to provide assistance to the Central and East European

countries, for which specific facilities are provided under Phare.

8. The budget for 1998 will be ECU 2 500 000. It will be indicatively allocated to the different areas as follows:

Areas	ECU
Training	520 000
Exchange	460 000
Research	170 000
Operational projects	600 000
Meetings	650 000
Evaluation	100 000
Total	2 500 000

9. Applications for grants must be submitted by 31 March 1998 to the European Commission, Justice and Home Affairs Task Force (attention Mr Telmo Baltazar, N-9 6/21 — fax (32-2) 295 01 74), Rue de la Loi/Wetstraat 200, B-1049 Brussels, using the application form in one of the 11 European Union languages (a translation may be added in a second working language). Forms may be obtained from the above address.

Note that the signed original application must be submitted in real time (not by fax, followed by the original), together with a brief (2-3 pages) outline of the project. Alterations to the form or the use of any the of earlier versions of the form, etc., will disqualify the application. The purpose of the project must be described as briefly and accurately as possible in point 8 of the form.

A detailed estimated budget in national currency must be sent with the application. An indication of the value in ecus may be attached.

The budget must show the expected overall cost of the project. The grant applied for may not exceed 80 % of the final cost. The actual subvention may be for a lower amount than the percentage requested. The running costs of an organization are not eligible.

Beneficiaries are required to state in all advertising or published material that their projects are in receipt of financial support from the Oisin programme and the European Community. Within three months of the completion of their project, they must submit to the Justice and Home Affairs Task Force of the European Commission a report on the execution of the project, any obstacles encountered, the assessment given by the participants, the results obtained, the dissemination of such results and the conclusions drawn.